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## **SENATE BUDGET COMMITTEE REPORTS FY05 BUDGET RESOLUTION**

WASHINGTON – The Senate Budget Committee today passed a budget for fiscal year 2005 that halves the deficit in three years, invests billions in defense and homeland security and rejects tax increases on families.

The Committee reported the budget without any substantial changes from the Chairman's Mark as introduced, repeatedly rejecting amendments that would have raised taxes to finance new spending and amendments that would have violated the budget cap of \$814 billion established in last year's resolution.

"This is a challenging budget year," Nickles said. "The deficits we face are unacceptable, and we must put priority on bringing them down. This budget would reduce the deficit by half, bringing it down to 1.4 percent of the economy by the end of the budget window.

"At the same time, we remain committed to the ongoing national priorities of winning the war on terrorism, protecting the homeland, strengthening the economy and putting Americans back to work. This budget supports that," Nickles said.

The Budget would reduce the deficit from \$477 billion in FY 2004, which represents 4.2 percent of gross domestic product (GDP), to \$224 billion in FY 2007, which represents 1.7 percent of GDP.

The Budget provides for expedited consideration of tax cuts on working families that would expire under current law, including the \$1,000-per-child tax credit, marriage penalty relief and the 10-percent tax bracket for the nation's lowest earning workers.

The Budget invests in the critical issues of defense and homeland security, increasing spending 5 percent and 10 percent, respectively, in those areas.

It is expected the Budget Resolution will be considered on the Senate floor next week.